THE DOMINION BANK

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SIXTY-NINTH ANNUAL REPORT 31ST OCTOBER 1939

SIXTY-NINTH ANNUAL REPORT

1871 1939

THE DOMINION BANK

31st OCTOBER, 1939

THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP - - -	$7,000,000
RESERVE FUND - - - -	$7,000,000
UNDIVIDED PROFITS - -	$ 837,400

31ST OCTOBER, 1939

Printed in Canada

THE DOMINION BANK

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE, Toronto.
- Chairman of the Finance Committee and Director, The Goodyear Tire & Rubber Company of Canada, Limited.
- President, Canada Bread Company, Limited.
- Director, Canadian General Investments, Limited.
- " Dominion Bridge Company, Limited.
- " Montreal Trust Company.

CHAIRMAN OF THE BOARD

C. A. BOGERT, Toronto.
- Director, The Canada Life Assurance Company.

VICE-PRESIDENT

R. S. McLAUGHLIN, Oshawa.
- President, General Motors of Canada, Limited.
- Vice-President, General Motors Corporation.
- Director, Canadian General Electric Co., Limited.
- " Canadian Pacific Railway Company.
- " The Consolidated Mining & Smelting Company of Canada, Limited.
- " The International Nickel Company of Canada, Limited.
- " McIntyre-Porcupine Mines, Limited.
- " The Royal Trust Company.

DIRECTORS

Col. The Hon. HERBERT A. BRUCE, M.D., F.R.C.S.(Eng.) LL.D. Toronto.
- President, Federal Fire Insurance Company.
- Vice-President, The Trusts & Guarantee Co., Ltd.
- Director, The National Life Assurance Company of Canada.
- " Wellington Fire Insurance Company.

R. Y. EATON, Toronto.
- President, The T. Eaton Company, Limited.
- Director, National Trust Company, Limited.

R. J. GOURLEY, Winnipeg.
- General Manager and Director, Beaver Lumber Company, Limited.
- Member, Canadian Committee, Hudson's Bay Company.
- Director, The Home Investment & Savings Ass'n.
- " Manitoba Bridge & Iron Works, Limited.
- " The Monarch Life Assurance Company.
- " The Northern Trusts Company.
- " Western Steel Products Corp'n., Ltd.

DIRECTORS—Continued

COL. THE HON. E. W. HAMBER, LL.D., VICTORIA.	President, Hastings Sawmill Company, Limited. On Advisory Board, The Toronto General Trusts Corporation. Director, B.C. Mills Tug & Barge Company, Ltd. " Canadian Pacific Railway Company. " The National Life Assurance Company of Canada. " Vancouver Engineering Works, Ltd.
MAJ.-GEN. D. M. HOGARTH, C.M.G., D.S.O., TORONTO.	Director, Little Long Lac Gold Mines, Limited. " MacLeod-Cockshutt Gold Mines, Ltd. " Madsen Red Lake Gold Mines, Limited. " Manikuru Goldfields, Limited. " Nipissing Mines Company, Limited. " Pioneer Gold Mines of B.C., Limited. " Sherritt Gordon Mines, Limited. " Steep Rock Iron Mines, Limited. " Sudbury Basin Mines, Limited. " Ventures, Limited.
J. M. MACKIE, MONTREAL.	President, Brinton-Peterboro Carpet Co., Limited. " Paton Manufacturing Company, Ltd. " Canadian Converters' Company, Ltd. Director, Belding-Corticelli, Limited.
A. C. MATTHEWS, TORONTO.	President, Canada Malting Company, Limited. Director, Confederation Life Association. " The Toronto General Trusts Corp'n.
F. GORDON OSLER, TORONTO.	Partner, Osler & Hammond. President, Canada Permanent Mortgage Corporation. " Canada Permanent Trust Company. Vice-President, The Manufacturers Life Insurance Company. Director, Calgary & Edmonton Corporation, Ltd. " Consolidated Bakeries of Canada, Ltd. " The Consolidated Mining & Smelting Company of Canada, Limited. " Consumers' Gas Company of Toronto. " The Steel Company of Canada, Limited.
JOSEPH M. PIGOTT, HAMILTON.	President, Pigott Construction Company, Limited. " Pigott Realty Company, Limited. Director, Consolidated Fire & Casualty Company. " Landed Banking & Loan Company.
J. ALLAN ROSS, TORONTO.	President, Wm. Wrigley Jr. Company, Limited. Director, Wm. Wrigley Jr. Company, Chicago.
H. H. WILLIAMS, TORONTO.	Director, The Imperial Life Assurance Company. " The Toronto General Trusts Corp'n.

THE DOMINION BANK

HEAD OFFICE: TORONTO

OFFICIALS

ROBERT RAE	*General Manager*
T. WILDING	*Assistant General Manager*
S. C. COOK	*Assistant General Manager*
C. S. HOWARD	*Chief Supervisor*
A. H. BAILLIE	*Eastern Supervisor*
W. C. MacAGY	*Supervisor*
A. A. ATKINSON	*Supervisor*
C. A. PACK	*Chief Inspector*
W. B. TANNAHILL	*Secretary*
JOHN MILLER	*Chief Accountant*
W. H. LeROY	*Staff Superintendent*
JAMES GRANT	*Superintendent of Bank Premises*

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO	*Assistant General Manager*
E. R. CAMERON	*Western Supervisor*

BRANCHES OF THE DOMINION BANK

ONTARIO

Baden	J. B. Runstedtler	Manager
Belleville	B. C. Sisler	Manager
Bracebridge	W. W. Creswick	Manager
Brampton	W. E. Glenney	Manager
Brantford	John McMillan	Manager
Brooklin	P. A. Journeaux	Manager
Chatham	W. Watts	Manager
Cobourg	J. W. Maize	Manager
Dresden	E. W. Slaght	Manager
Fairbank	S. Blues	Manager
Fort Frances	W. T. Russell	Manager
Fort William	R. F. J. Ford	Manager
Geraldton	T. B. Connochie	Manager
Gravenhurst	T. A. Smith	Manager
Guelph	A. H. Bazett	Manager
Hamilton	Norman Evans	Manager
East End Branch (King and Wentworth Sts.)	J. S. Dean	Manager
Gage Ave. Branch (Gage Ave. and Barton St.)	J. W. L. Addleton	Manager
Kenilworth Ave. and Barton St	J. D. Ketchum	Manager
Hespeler	W. W. Heaney	Manager
Huntsville	J. G. Fraser	Manager
Kenilworth	W. Coupar	Manager
Kenora	L. S. Nicolson	Manager
Kirkland Lake	C. S. Blenkinship	Manager
Kitchener	H. S. Lancefield	Manager
West End Branch (King and Wilmot Sts.)	T. Long	Manager
Leamington	A. Ritchie	Manager
Lindsay	M. E. Grant	Manager
London	H. F. Smith	Manager
Rectory Street Branch	G. K. Bryson	Manager
Long Branch	W. H. Seabrook	Manager
Madoc	G. C. Gammage	Manager
Marmora	J. C. Taylor	Manager
Mount Albert	J. A. Tilley	Manager
Mount Forest	W. Coupar	Manager
Napanee	R. Humphrey	Manager
New Toronto	W. V. Dedrick	Manager
Niagara Falls	J. B. Rooney	Manager
Orillia	C. S. Pim	Manager
Oshawa	Hugh Hall	Manager
South Oshawa Branch	J. Walton	Manager
Ottawa	C. O. Fellowes	Manager
Peterborough	R. T. E. Hicks-Lyne	Manager

BRANCHES - ONTARIO—Continued

PORCUPINE	N. L. Smith	Manager
ROSSEAU	E. K. McL. Jones	Manager
ST. CATHARINES	S. T. Organ	Manager
ST. THOMAS	H. G. Henderson	Manager
SARNIA	W. B. Macdonald	Manager
SEAFORTH	E. C. Boswell	Manager
SUDBURY	R. M. Bolton	Manager
TIMMINS	F. A. Burt	Manager
TORONTO:		
Cor. King and Yonge Sts	A. C. Ashforth	Manager
	T. F. R. Elliott	Asst. Manager
	J. D. N. Waugh	Asst. Manager
	E. S. Swallow	Asst. Manager
Avenue and Davenport Rds	P. J. Jones	Manager
Bay and St. Albans Sts	Wm. E. Lepper	Manager
Bloor and Bathurst Sts	F. R. Cochran	Manager
Bloor St. and Dovercourt Rd		
Bloor St. and Runnymede Rd	C. A. Thorpe	Manager
City Hall Branch	W. Walker	Manager
Danforth and Leyton Aves. (3334 Danforth Ave.)	W. I. Hargreaves	Manager
Danforth and Logan Aves	J. J. Irwin	Manager
Davenport and Dovercourt Rds	R. A. Jennings	Manager
Davenport Rd. and Laughton Ave	A. J. Essery	Manager
Dufferin St. and Lappin Ave	D. W. Dean	Manager
Dundas and McCaul Sts	A. P. Duck	Manager
Dundas St. and Runnymede Rd	T. W. Rhind	Manager
Dupont and Christie Sts	R. W. M. Thomson	Manager
Gerrard St. and Coxwell Ave	R. S. Gray	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.)	D. A. Burns	Manager
Market Branch (King and Jarvis Sts.)	W. W. Duncan	Manager
Mount Pleasant Rd. and Hillsdale Ave	H. Eves	Manager
Parkdale (Queen St. and Jameson Ave.)	A. N. Kidd	Manager
Queen St. and Augusta Ave	G. M. Chesney	Manager
Queen St. and Broadview Ave	A. H. Black	Manager
Queen and John Sts	R. R. Buchanan	Manager
Queen St. and Lee Ave	G. R. Cook	Manager
Queen St. and Ossington Ave	M. E. Roberts	Manager
Queen and Sherbourne Sts	T. C. Glenn	Manager
Queen and Victoria Sts	M. S. Burger	Manager
Roncesvalles and Howard Park Aves	C. W. McMichael	Manager
Rosedale (Sherbourne and Bloor Sts.)	N. J. O'Flynn	Manager
St. Clair Ave. and Dufferin St	F. A. Boulden	Manager
St. Clair Ave. and Vaughan Rd	C. A. R. Hunter	Manager
Spadina Ave. and Adelaide St	Joseph Johnson	Manager
Spadina Ave. and College St	W. S. Pate	Manager

BRANCHES—Continued

TORONTO—Continued		
West Toronto Branch	F. E. Havill	Manager
Yonge St. and Eglinton Ave	F. W. Slatter	Manager
Yonge and Gerrard Sts	J. B. O'Neill	Manager
Yonge and Hayden Sts	J. M. R. Torrie	Manager
Yonge St. and Marlborough Ave	E. E. Abbott	Manager
Yonge St. and St. Clair Ave	T. W. Joyce	Manager
Yonge St. and Teddington Park Ave	G. J. Vicars	Manager
York and Adelaide Sts	R. B. Hunter	Manager
UXBRIDGE	D. D. Dunsire	Manager
WELLAND	D. S. Hunter	Manager
WHITBY	G. Heath Ross	Manager
WINDSOR	W. E. Scott	Manager
WINGHAM	J. R. M. Spittal	Manager
WOODSTOCK	C. R. Hanna	Manager

QUEBEC

MONTREAL	W. A. Fisher	Manager
	P. E. J. Netterfield	Asst. Manager
Beaubien and Christophe Colomb Sts	E. E. Baldwin	Manager
Bleury and St. Catherine Sts	J. K. Muir	Manager
	Frank F. Hull	Asst. Manager
Dominion Square Branch (Peel and St. Catherine Sts.)	W. J. Dundas	Manager
Guy and St. Catherine Sts	I. H. Gordon	Manager
Monkland and Old Orchard Aves	A. H. Brown	Actg. Manager
St. Jean Baptiste Market	A. S. Jamieson	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager
ROUYN	I. D. Simmons	Manager

MANITOBA

BOISSEVAIN	A. Morton	Manager
BRANDON	T. T. Rodger	Manager
DELORAINE	J. Addison	Manager
ST. BONIFACE (Union Stock Yards Branch)	R. G. Pinkerton	Pro. Manager
SELKIRK	R. A. Glendinning	Manager
THE PAS	Alex Stewart	Manager
WINNIPEG	R. K. Beairsto	Manager
	E. D. White	Asst. Manager
Main St. and Redwood Ave	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager
Notre Dame Ave. and Sherbrook St	P. M. Wass	Manager
Portage Ave. and Kennedy St	C. O. Bell	Manager
Portage Ave. and Sherbrook St	J. G. Foggo	Manager

BRANCHES—Continued

SASKATCHEWAN

Grenfell	C. H. Johnston	Manager
Moose Jaw	A. Tomkins	Manager
Regina	W. A. Radcliff	Manager
Saskatoon	L. C. Brown	Manager

ALBERTA

Calgary	B. E. Hull	Manager
Edmonton	M. C. Fraser	Manager
Medicine Hat	W. S. Ashley	Manager

BRITISH COLUMBIA

Vancouver	C. W. Jones	Manager
Pender and Howe Sts	W. D. Kelly	Manager
Robson and Hornby Sts	C. B. Pearson	Manager
Victoria	D. McMillan	Manager

NEW BRUNSWICK

Saint John	R. W. Thurston	Manager

LONDON, ENGLAND

3 King William St., E.C.4	Percival Huffman	Manager
	E. W. Booth	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 Wall St	A. W. Rice	Agent

CHIEF CORRESPONDENTS

GREAT BRITAIN -	Bank of England. Barclays Bank Limited. British Overseas Bank, Limited. Lloyds Bank Limited. National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA - - - - -	Barclays Bank (Dominion, Colonial and Overseas).
AUSTRALASIA - -	Bank of New South Wales. Commercial Bank of Australia, Limited. National Bank of Australasia, Limited.
BELGIUM - - - -	Banque d'Anvers. Banque de Bruxelles.
CHINA - - - - -	Chartered Bank of India, Australia and China. Chase Bank. Hong Kong and Shanghai Banking Corporation. National City Bank of New York.
FINLAND - - - -	Kansallis-Osake-Pankki.
FRANCE - - - - -	Banque Transatlantique. Barclays Bank (France), Limited. Chase Bank. Comptoir National d'Escompte de Paris.
HOLLAND - - - -	Amsterdamsche Bank. Rotterdamsche Bankvereeniging.
ITALY - - - - -	Banca Commerciale Italiana. Credito Italiano.
JAPAN - - - - -	Mitsubishi Bank, Limited. Mitsui Bank Limited. National City Bank of New York. Yokohama Specie Bank, Limited.
SOUTH AMERICA -	Bank of London and South America, Limited. National City Bank of New York.
SWEDEN - - - -	Svenska Handelsbanken.
SWITZERLAND - -	Banque Federale. Banque Populaire Suisse.
WEST INDIES - -	Barclays Bank (Dominion, Colonial and Overseas). National City Bank of New York.

CHIEF CORRESPONDENTS—Continued

UNITED STATES

Boston, Mass.	First National Bank of Boston. National Shawmut Bank of Boston.
Buffalo, N.Y.	Liberty Bank of Buffalo. Marine Trust Company of Buffalo.
Chicago, Ill.	Continental Illinois National Bank and Trust Company of Chicago.
Cincinnati, O.	First National Bank.
Cleveland, O.	National City Bank of Cleveland.
Detroit, Mich.	Commonwealth Bank. National Bank of Detroit. The Detroit Bank.
Duluth, Minn.	First and American National Bank.
Los Angeles, Cal.	Bank of America National Trust and Savings Association.
Minneapolis, Minn.	First National Bank and Trust Company of Minneapolis. Northwestern National Bank and Trust Company of Minneapolis.
New York, N.Y.	National City Bank of New York. Central Hanover Bank and Trust Company. Chase National Bank of the City of New York. Continental Bank and Trust Company of New York. Corn Exchange Bank Trust Company. Guaranty Trust Company of New York. Irving Trust Company.
Philadelphia, Pa.	Central-Penn National Bank of Philadelphia. First National Bank. Philadelphia National Bank.
Pittsburgh, Pa.	First National Bank at Pittsburgh. Peoples-Pittsburgh Trust Company.
St. Louis, Mo.	Mercantile-Commerce Bank and Trust Company.
St. Paul, Minn.	First National Bank of St. Paul.
San Francisco, Cal.	Bank of California, N.A. Bank of America National Trust and Savings Association.
Seattle, Wash.	Bank of California, N.A. National Bank of Commerce of Seattle.
Washington, D.C.	Riggs National Bank of Washington.

ASSETS

Gold held in Canada	$ 699.87		
Subsidiary coin held in Canada	211,395.64		
Subsidiary coin held elsewhere	398.73		
		$ 212,494.24	
Notes of Bank of Canada	$ 2,843,114.00		
Deposits with Bank of Canada	13,388,790.98		
		16,231,904.98	
Notes of other Chartered Banks		431,020.00	
Government and Bank notes other than Canadian		140,295.70	
Cheques on other Banks		6,755,205.91	
Due by Banks and Banking Correspondents elsewhere than in Canada		3,725,614.64	
		$27,496,535.47	
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		19,203,874.54	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		35,045,733.24	
Canadian Municipal Securities, not exceeding market value		3,638,046.24	
Other Bonds, Debentures and Stocks, not exceeding market value		2,761,663.14	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		3,360,429.92	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		2,398,947.89	
Deposit with the Minister of Finance for the security of note circulation		272,695.00	
			$ 94,177,925.44
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	$58,396,413.37		
Loans to Cities, Towns, Municipalities and School Districts		1,635,966.11	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		493,407.23	
Non-current Loans, estimated loss provided for		191,751.22	
Bank Premises, at not more than cost, less amounts written off		5,569,000.00	
Real Estate other than Bank Premises		67,307.57	
Mortgages on Real Estate sold by the Bank		54,159.26	
Other Assets not included under the foregoing heads		197,047.25	
			$ 66,605,052.01
Liabilities of Customers under Acceptances and Letters of Credit, as per contra			2,856,128.37
			$163,639,105.82

LIABILITIES

Capital paid up			$ 7,000,000.00
Reserve Fund		$ 7,000,000.00	
Balance of profits as per Profit and Loss Account		837,400.71	
Dividend No. 228, payable 1st November, 1939		175,000.00	
Former Dividends unclaimed		1,062.90	
			8,013,463.61
Total Liabilities to the Shareholders			$ 15,013,463.61
Notes of the Bank in circulation		$ 5,322,171.50	
Deposits by and balances due to Dominion Government	$10,653,340.34		
Deposits by and balances due to Provincial Governments	2,934,043.13		
Deposits by the public not bearing interest	37,978,683.71		
Deposits by the public bearing interest, including interest accrued to date of statement	85,335,930.11		
		136,901,997.29	
Deposits by and balances due to other Chartered Banks in Canada		2,404,541.35	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		634,559.53	
Liabilities to the public not included under the foregoing heads		506,244.17	
			145,769,513.84
Acceptances and Letters of Credit outstanding			2,856,128.37
			$163,639,105.82

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at 31st October, 1939, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1939, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

Toronto, 20th November, 1939.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

HEAD OFFICE - TORONTO

THE

DOMINION BANK

PROCEEDINGS

of the

Sixty-Ninth Annual General Meeting

of the

Shareholders

THE SIXTY-NINTH Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, 13th December, 1939, at 2.30 p.m.

Among those present were:

George W. Allan, K.C. (Winnipeg), Fred Armstrong, A. C. Ashforth, A. A. Atkinson, R. K. Beairsto (Winnipeg), Evan A. Begg, Herbert Begg, A. M. Bethune, C. A. Bogert, Merritt A. Brown, Col. The Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), LL.D., E. R. Cameron (Winnipeg), C. H. Carlisle, Gordon T. Cassels, A. E. Dyment, J. S. Entwistle, The Hon. T. Howard Ferguson, P.C., K.C., LL.D., D.C.L., Egmont L. Frankel, Charles D. Gordon, R. J. Gourley (Winnipeg), Frank A. Harrison, Maj.-Gen. D. M. Hogarth, C.M.G., D.S.O., C. S. Howard, Lieut.-Col. Baptist L. Johnston, Arthur H. Lake, John M. Lyle, Arthur Macdonald, Miss I. J. Macdougall (Cannington), James V. Macfarlane, John M. Mackie (Montreal), A. C. Matthews, T. Frank Matthews, Gordon R. Medland, A. C. McCollum, R. S. McLaughlin (Oshawa), James Nicholson, John P. Patterson, Joseph M. Pigott (Hamilton), A. W. Rice (New York), C. A. Ross, J. Allan Ross, W. T. H. Selby, E. B. H. Shaver, J. W. B. Walsh, Walter Wily.

The chair was taken by the President, Mr. C. H. Carlisle. Mr. C. S. Howard was appointed to act as Secretary of the Meeting, and Mr. Evan A. Begg and Mr. Walter Wily were appointed Scrutineers.

The notice calling the Meeting was read by the Secretary. The Minutes of the last Annual General Meeting were taken as read and were confirmed.

At the request of the Chairman, the Secretary read the Directors' Report to the Shareholders, and also the Auditors' Report.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the following Statement of the result of the business of the Bank for the ten months ended 31st October, 1939, and a General Statement of the Assets and Liabilities as of that date.

Balance of Profit and Loss Account, 31st December, 1938		$ 805,937.24
The Profits for the ten months ended 31st October, 1939, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes of $264,235.84 amounted to		802,296.80
		$1,608,234.04
Dividends for ten months at ten per cent. per annum	$583,333.33	
Contribution to Officers' Pension Fund	62,500.00	
Written off Bank Premises	125,000.00	
		770,833.33
Balance of Profit and Loss Account carried forward		$ 837,400.71

C. H. CARLISLE, *President.*

ROBERT RAE, *General Manager.*

During the year a Branch was opened at Porcupine, Ontario; the Branch at Larder Lake, Ontario, was closed.

Head Office and all Branches, with the exception of London, England, Branch, were inspected by the Bank's Officers during the fiscal year. London Office has since been inspected by Messrs. Peat, Marwick, Mitchell & Company, Chartered Accountants of that city.

The annual examination of the Bank's affairs was made by the Shareholders' Auditors, Mr. A. B. Shepherd, F.C.A., and Mr. D. McK. McClelland, F.C.A., whose report is appended to the Balance Sheet. Mr. McClelland, having completed his term, will now retire and you will be asked at this meeting to appoint Mr. W. D. Glendinning, F.C.A., of Glendinning, Gray & Roberts, to serve with Mr. Shepherd as Shareholders' Auditors for the year 1940.

C. H. CARLISLE,

7th December, 1939. *President.*

The General Manager was then asked to comment on the Annual Statement.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT AND BALANCE SHEET BY MR. ROBERT RAE, GENERAL MANAGER

At the last Annual Meeting of the Shareholders, and subsequent meeting of the Directors, the close of the Bank's fiscal year was changed from December 31st to the end of October in each year, and as a result, the Statement presented to you to-day covers ten months instead of twelve.

As you have just heard, the profits for the period under review were $802,296.80, compared with $960,121.31 for the previous twelve months. After paying the dividends—at the rate of 10 per cent per annum—contributing $62,500 to the Officers' Pension Fund, providing $264,235.84 for Dominion and Provincial Government taxation, and writing $125,000 off Bank Premises, the balance remaining at credit of Profit and Loss Account was increased by $31,463.47 and now stands at $837,400.71.

Dealing with the principal items of the Balance Sheet, a copy of which is in your hands:

Notes of the Bank in Circulation were $5,322,171, an increase of $61,682.

Deposits Again Increase

Deposits by the Public not bearing interest, $37,978,683, those bearing interest, $85,335,930, or a total of $123,314,613, compares with $120,703,163 on December 31st, 1938, an increase of $2,611,450. Dominion and Provincial Government Deposits total $13,587,383, an increase of $11,954,310 over those of a year ago. This is chiefly due to the special Government financing arranged in October last, the relative funds not having been withdrawn.

Acceptances and Letters of Credit outstanding were $2,856,128, approximately the same as a year ago.

Liquid Position Strong

The Cash Assets of the Bank totalled $27,496,535, and were equivalent to 18.86 per cent of the public liabilities. Readily realizable assets, which include Government, Municipal and other bonds, as well as Call and Short Loans,

amounted to $94,177,925, or 64.6 per cent of the liabilities to the public and indicate a very high ratio of liquidity.

The Bank's total investments in securities amounted to $60,649,317, compared with $55,424,072 at the end of last year, and consist principally of Dominion and Provincial Government issues, about $19,000,000 of which will mature within two years. Our portfolio has been very carefully selected and the securities are entered on the Statement at prices below those prevailing on the 31st of October last.

Call and Short Loans in Canada totalled $3,360,429, a decrease of $1,924,076. These are loans against readily marketable stocks and bonds, for which financing the demand has not been so active.

Call and Short Loans elsewhere than in Canada totalled $2,398,947, and show an unimportant decrease of $90,786. These are day-to-day loans at our New York Agency and London, England, Branch, against first-class securities, with ample margin.

Substantial Increase in Commercial Loans

It is gratifying to report a substantial increase in the total of Current Loans and Discounts in Canada, now $58,396,413, up $11,276,618 from December 31st last. This is a very satisfactory feature of the Statement and is due to the greater amount of money required to finance the grain crop and also to an increase in the demand for general commercial loans.

Loans to Cities, Municipalities, etc., $1,635,966, show a small decrease from those of a year ago.

Non-Current Loans, $191,751, are down $70,042 during the period under review. As has been our policy in the past, all probable losses have been fully provided for.

Bank Premises Account stands at $5,569,000. No new buildings were erected during the year, nor was any land purchased. Alterations were made, however, to several of our offices, including that at Guelph. The main office in Toronto was modernized and now presents a more attractive appearance.

During the year we opened a new Branch at Porcupine, Ont., and closed our office at Larder Lake, Ont.

War Efforts

With regard to our Staff—which now numbers 1,289—it is a great pleasure to again acknowledge their loyalty and efficiency, which is amply evidenced in the Statement presented to-day. Already 20 members of the Staff have been granted indefinite leave of absence for military service. Our best wishes go with them and we hope it will soon be possible for them to return to their positions in the Bank.

In conclusion, I wish to say that The Dominion Bank is in a sound position and fully prepared to take its place in financing the business and war efforts of this country.

ADDRESS BY MR. C. H. CARLISLE, PRESIDENT

Heretofore the Bank's fiscal year closed as of December 31st. This date has been changed to October 31st. Therefore, the present Statement is for a period of ten months. It is difficult to make an accurate comparison with a similar period of a year ago, but comparison may be made with the last Annual Statement which should give you adequate information of the Bank's operations for the period just reviewed by your General Manager.

Greatest Progress in Recent Years

When submitting last year's Statement, I called your attention to the progress your Bank had made compared with the preceding year. The Statement under review shows that even greater progress has been made than in any similar period in recent years. The Bank's position is financially sound. It has increased its activities in practically all of its operations. It has secured many new accounts, some of which are quite large. Credit losses have been unusually low—all of which reflects a higher efficiency in the Bank's personnel.

The general conditions in Canada, and Canada's relation to other countries, are large factors in determining the operations of your Bank.

War the Price of Freedom

Finding ourselves at war changes the ordinary tenor of our way. Our youths are being trained for war and will be sent overseas. Their absence, temporarily or permanently, is a great loss. We must provide equipment, munitions, transportation and training—all of these require large sums of money, further augmenting an already large national debt. The burden is and will continue to be onerous, not only for our Governments but for all citizens. The Canadian people will, we may be sure, bear this burden without complaint. It is the price we pay so that we may continue to be free people and live in a free country. When we compare our freedom and our standards of living with those who are enslaved by dictatorial governments such as prevail in Germany and Russia, the price will not be considered unreasonable.

Canada's Resources

We have cause to be shocked when we realize the magnitude of our present debt and visualize the amount of the debt at the close of this war. Some may lose courage thinking all is lost. There is no doubt that our lot, and that of those for the next two or three generations, will be very difficult. However, Canada will still remain, will still be great and grow greater, and will continue to be a free country for free people. Canada to-day, with her varied and abundant crops, her large meat supplies, her forests and her mines, her huge area of productive lands, her transportation facilities—both lake and rail—her public service and educational institutions, the high intellectual and moral quality of her people, is in possession of advantages which give us courage to carry on and to visualize a brighter future.

We have another asset which we must not overlook or fail to appraise—that is Canadian labour. Canadian labour is to be congratulated for the soundness of its principles, its efficiency in production, in the part it has played and is playing in the up-building of our country. A better understanding may be had when we make comparisons with other countries where strikes are called without just cause, where plants are forced into idleness, throwing thousands of people out of employment, causing losses of millions of dollars to both employer and employee, where property rights are violated and men are deprived of the right to work.

Democratic Principles

Regimentation by government, or otherwise, has been tried and has failed, and will continue to fail wherever attempted. It is a means of undermining democratic governments and democratic principles. If permitted, it will enslave industry and labour as it has enslaved them in Germany and Russia.

A happy condition can only exist, and public confidence can only be secured, when the business executive, the labourer and the farmer continually and unitedly strive to improve products, to lower costs, to price products so that the consumer may enjoy and have the things which are his right. Both labour and management should constantly keep in mind that the consumer determines the number of people employed.

War and Post-War Conditions

There is another matter which should be kept carefully and continuously in mind through these months, and perhaps years, of war. During war, unusual activity prevails; prices usually advance; the volume of business increases; employment conditions improve, and along with all this, profits are likely to be better. What has to be kept in mind, however, is the certainty that at some time—and we hope soon—the war will end. When that time comes, demand for money will diminish; prices will fall to lower levels; inventories will swiftly go down in value, and heavy losses will be absolutely inevitable. Managements will have to have regard to the certainty of this result in the disposition of such profits as may be available during the period of rising activity and earnings, to study well every transaction, and to plan well the things to be done in the interim. We were not prepared for war when war came. This was unfortunate. It would be very unfortunate if we were not prepared for post-war conditions when they come.

In these days, when governments find it necessary to apply restrictions and are drawing on every resource, when ownership of property is being controlled almost to the point of challenging the existence of individual ownership and, therefore, in effect, the existence of democracy, it is in imperative measure a necessity that waste of every kind be eliminated, and economies discovered and enforced.

Excessive Cost of Government

Our Constitution, it appears, is to be amended. If so, provision should be made for fewer Members of the House of Commons, fewer Members of the Senate and fewer Members of our Legislatures. Municipal Governments also should be diminished in numbers and personnel. Small committees and small Legislatures are much more efficient than large and expensive organizations. Overlapping and duplication between the Dominion Government and Provincial Governments simply must be eliminated, if Canada is to remain solvent and remain free. Upon these things the workers of our country and the taxpayers of our country have a right to insist, and their insistence must now rise to the stature of a demand.

If our Governmental authorities give evidence of a willingness to meet imperative necessities along the lines indicated herein and along other lines, the people of this country will throw themselves with ever greater courage and enthusiasm into the immense task which lies ahead.

Extended Production and Trade to Meet War Costs

Our first duty is the speedy and efficient prosecution of the war. No doubt many restrictions are necessary, and business must adjust itself to these restrictions. It is important that they be as few as possible and bear as lightly as possible, because the extension of production and the extension of trade are hampered by restrictions, and it is only on the extension of production and the extension of trade that we can hope to provide for our tremendous financial burdens and maintain our standard of living. The success of our future will depend much on how we conduct the present and, while fighting dictatorships, we must prove to all peoples that Canada at all times uses democratic principles in her own affairs. By now giving heed to our post-war problems, we should be in a position to attract capital and a high grade of immigration that will carry on successfully the development and expansion which our country requires.

This is no time to be super-critical, but this is a time to be super-industrious and super-efficient.

I move the adoption of the Report.

Mr. C. A. Bogert—I think it is evident that the Shareholders present approve of the Statements which have been submitted, and are greatly interested in the proceedings of the Meeting. I have pleasure in seconding the adoption of the Report.

The Chairman presented the motion to the Meeting and the Report was adopted.

It was moved by Mr. Gordon T. Cassels and seconded by Mr. A. M. Bethune:

THAT Mr. A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell and Company, and Mr. W. D. Glendinning, F.C.A.,

of Glendinning, Gray and Roberts, be appointed Auditors to hold office until the next Annual General Meeting, and that their remuneration be fixed at a sum not to exceed $10,000.
(Motion carried.)

The Chairman—Owing to the desirability of keeping the Pension Fund Society of The Dominion Bank on a proper actuarial basis, and in view of the additional liability which is being assumed by the Fund in respect of the members who have been granted leave of absence by the Bank to serve with His Majesty's forces, the Shareholders are being asked to approve of a change in By-law No. 8 to provide for an increase of $10,000 in the annual contribution to the Fund, making the grant $85,000 per annum. The proposal has the approval of the Board.

It was moved by Mr. T. Frank Matthews and seconded by Mr. Herbert Begg, that the following be enacted as By-law No. 14 of the Shareholders' By-laws of The Dominion Bank:

THAT By-law No. 8 be amended by striking out therein the amount "Seventy-five Thousand Dollars" and substituting in lieu thereof the amount "Eighty-five Thousand Dollars." (Motion carried.)

The Chairman—The Shareholders are also being asked to amend By-law No. 9 to provide for an increase to $50,000, from $10,000, in the aggregate amount of contributions which the Directors are authorized to make to public, charitable and patriotic objects in any one year. Owing to the war, special contributions will be required of the Bank in connection with appeals of the Canadian Red Cross Society, Canadian Patriotic Fund and similar organizations, and your Directors desire that the Board be free to make such donations as they think proper in the interests of the Bank, as well as of society. At this time, it is not expected that the full amount will be required. The proposal has the concurrence of your Board, and if the increased authority is given, the usual care will be exercised in approving of all grants.

It was then moved by the Hon. G. Howard Ferguson, P.C., seconded by Mr. J. M. Lyle, that the following be

enacted as By-law No. 15 of the Shareholders' By-laws of The Dominion Bank:—

THAT By-law No. 9 be amended by striking out therein the amount "Ten Thousand Dollars" and substituting in lieu thereof the amount "Fifty Thousand Dollars."

In speaking to the motion, Mr. Ferguson said:—

I have a very great deal of pleasure in submitting to you the By-law embodying the provision to which the President has referred. May I just make this one observation—more and more as time goes on, the Banks, as well as other business institutions, are becoming more dependent upon the good-will of the public, and you get that good-will by sharing in movements in which the public is interested. I think donations made in proper cases to assist the general public create good-will which will pay greater dividends than any other investments you may have.

(Motion carried.)

The Chairman—The next business is the election of your Board of Directors.

It was moved by Mr. James Nicholson and seconded by Mr. Fred Armstrong:

THAT the Board of Directors for the ensuing year be: C. A. Bogert, Col. The Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), LL.D., C. H. Carlisle, R. Y. Eaton, R. J. Gourley, Col. The Hon. E. W. Hamber, LL.D., Maj.-Gen. D. M. Hogarth, C.M.G., D.S.O., J. M. Mackie, A. C. Matthews, R. S. McLaughlin, F. Gordon Osler, Joseph M. Pigott, J. Allan Ross, H. H. Williams, and,

THAT a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors, for the enactment of By-laws Nos. 14 and 15 and for the election of Directors, and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting.

Mr. Nicholson said he had a great deal of pleasure in moving the resolution. He felt the satisfactory Report which had just been read showed that the confidence the Shareholders had in the Directors was fully justified.

(Motion carried.)

The balloting was then proceeded with, and at its conclusion the Scrutineers reported to the Chairman that Messrs. A. B. Shepherd, F.C.A., and W. D. Glendinning, F.C.A., had been appointed Auditors and the appropriation for their remuneration authorized, that By-laws Nos. 14 and 15 had been enacted, and that the gentlemen nominated as Directors had been duly elected Directors for the ensuing year.

The Chairman then thanked the Shareholders for their attendance and expressed his pleasure at seeing so many present. He said that it was most encouraging when Shareholders took the time to attend the Annual Meetings.

The Meeting then adjourned.

At a subsequent meeting of the Board of Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin, Vice-President, for the ensuing year.

The Annual Statement with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.